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November 19, 2008

VIA HAND DELIVERY

Hon. Anne K. Quinlan  
Acting Secretary  
Surface Transportation Board  
395 E Street, S W.  
Washington, D.C. 20423

ENTERED  
Office of Proceedings

NOV 26 2008

Part of  
Public Record

**RE: STB Docket No. AB-1020X**  
**East Penn Railroad, LLC-Abandonment Exemption-In Berks and**  
**Montgomery Counties, PA**

Dear Ms. Quinlan.

On behalf of Berks County, we are filing an original and 10 copies of the within Offer of Financial Assistance and service certification together with the \$1,500 filing fee. Please date stamp and return to the undersigned a copy of this letter.

We thank the Board for its time and consideration

**FEE RECEIVED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

JHS/mhd

Enc

cc Karl Morell (w/enc.)  
Laurel Frankston Grass (w/enc.)  
David M Konschnik (w/enc.)

Respectfully submitted,  
John D. Heffner, PLLC

*James H. M. Savage*  
By: James H. M. Savage  
Of Counsel

**FILED**

NOV 26 2008

**SURFACE  
TRANSPORTATION BOARD**

**BEFORE THE  
SURFACE TRANSPORTATION BOARD**



**STB DOCKET NO. AB-1020X**

**EAST PENN RAILROAD, LLC  
-ABANDONMENT EXEMPTION-  
IN BERKS AND MONTGOMERY COUNTIES, PA**

**ENTERED  
Office of Proceedings**

**NOV 26 2008**

**Part of  
Public Record**

**OFFER OF FINANCIAL ASSISTANCE  
BY  
BOARD OF COMMISSIONERS OF THE COUNTY OF BERKS**

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**FILED**

**NOV 26 2008**

**INTRODUCTION**

**SURFACE  
TRANSPORTATION BOARD**

Pursuant to 49 U.S.C. 10904 and 49 CFR 1152.27(c)(1) and the Surface Transportation Board's Decision served November 18, 2008, the Board of Commissioners of the County of Berks, acting on behalf of the County of Berks (hereinafter referred to as "the County") hereby makes an Offer of Financial Assistance (OFA) with respect to an 8.6 mile line of railroad between Milepost 0.0 at Pottstown in Montgomery County, PA and Milepost 8.6 at Boyertown in Berks County, PA (hereinafter "the Colebrookdale Branch").

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**SURFACE  
TRANSPORTATION BOARD**

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**SURFACE  
TRANSPORTATION BOARD**

This OFA is accompanied by a filing fee in the amount of \$1,500 as required by 49 CFR 1002.2(f)(25)

### **IDENTITY OF LINE**

This OFA pertains to an 8.6 mile line of railroad that connects to the Norfolk Southern Philadelphia-to-Harrisburg Main Line at Milepost 00 at Pottstown, PA.

### **FINANCIAL RESPONSIBILITY**

The Board of Commissioners of the County of Berks, whose address is Berks County Services Center, 633 Court Street, 13th Floor, Reading, PA 19601 is a governing body comprised of three (3) elected commissioners and, as such, qualifies as a governmental entity presumed to be financially responsible under 49 CFR 1152.27 (c)(1)(ii)(B).

### **DESCRIPTION AND EXPLANATION OF OFFER**

The Board has held that Offers of Financial Assistance need not be detailed provided the offeror is financially responsible and the offer is reasonable.

See Conrail Abandonments Under NERSA, 365 I.C.C. 472 (1981).

This offer is based on the net liquidation value ("NLV") of the line as determined by the Board in its November 18, 2008 Decision (\$1,404,967) less the following adjustments: The line's net salvage value ("NSV") has been reduced by \$251,000 to reflect the decline in steel prices since July 18,

2008, the date on which ESPN received the Tie Yard of Omaha's salvage bid of \$1,082,000. See, November 7, 2008 Verified Valuation Update of Gary E. Landrio annexed to the County's Petition to Supplement the Record as Exhibit A at 3. The Line's NSV has been further reduced by estimated take up costs of \$20,000 per mile, or \$172,000. The Line's NSV has been further reduced by \$480,000 to reflect the savings effected by preserving existing Line infrastructure comprised of six (6) bridges (\$75,000 savings each, totaling \$450,000) and six (6) highway grade crossings (\$5,000 savings each totaling \$30,000). See, September 8, 2008 Verified Statement of Gary E. Landrio, annexed to the County's Protest as Exhibit B at 6 and 7.

Upon acquisition of the rail line, the County intends to assign the operating rights by lease to a financially responsible short line rail carrier.

The County requests ESPN provide sufficient documentation to support the NSV of track materials calculation offered in its Petition for Exemption, as required by 49 CFR 1152 27(d), including but not limited to its basis for rail classifications and sources of pricing.

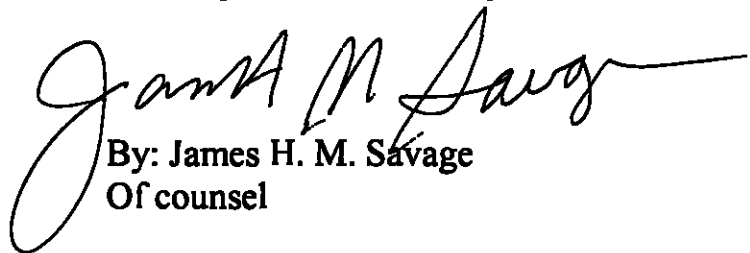
Finally, in the event ESPN were to challenge the Board's determination of the NLV of the real property comprising the line, the County reserves the right to request additional information from ESPN

including but not limited to real estate appraisals of the line and comparable sales data for the properties adjoining the line.

Respectfully submitted,

John D. Heffner, PLLC  
1750 K Street, NW – Suite 200  
Washington, DC 20006  
Tel. No. (202) 296-3333

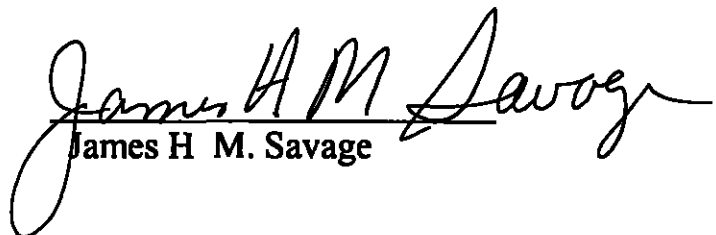
By. John D. Heffner  
Attorney for Berks County

  
By: James H. M. Savage  
Of counsel

Dated: November 26, 2008

### **CERTIFICATION OF PROOF OF SERVICE**

I certify that I served this day by electronic mail on counsel for Petitioner, and by first class mail upon counsel for Montgomery County a true copy of the within pleading.

  
James H. M. Savage

Dated. November 26, 2008